



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2557

Introduced 2/26/2021, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1055 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity may require a business organization to agree to certain terms that ensure the business is a good corporate citizen as a condition for receiving development assistance. Provides that a business that cannot truthfully agree to any required terms shall be ineligible for the development assistance. Specifies terms that may be required. Provides that compliance with good corporate citizen eligibility is required throughout a development assistance agreement. Provides that the Department may seek revocation of any credits or exemptions that were earned or used during a time when the business or its corporate parent or affiliate was not in compliance with any applicable requirements. Provides for the adoption of rules. Defines terms.

LRB102 17103 RJF 22532 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1055 as follows:

7 (20 ILCS 605/605-1055 new)

8 Sec. 605-1055. Good corporate citizen requirement for tax
9 incentive recipients.

10 (a) As used in this Section:

11 "Business" means an applicant for or recipient of
12 development assistance.

13 "Corporate parent or affiliate" means: (i) a related
14 member with respect to a business; or (ii) an entity that
15 exercises control over the business and whose interests are
16 served by the business.

17 "Development assistance" means tax credits and tax
18 exemptions given as an incentive to a business organization
19 pursuant to an agreement with the Department or an initial
20 certification or designation issued by the Department. This
21 term does not include any Department-administered tax credit
22 program that provides a tax credit to an investor in a
23 business.

1 "Development assistance agreement" means: (i) any
2 agreement or memorandum of understanding executed by the State
3 granting body and the business organization participating in
4 the development assistance program setting forth the terms and
5 conditions of development assistance to be provided to the
6 recipient consistent with the final application for
7 development assistance, including, but not limited to, the
8 date of assistance, submitted to and approved by the
9 Department; and (ii) any application for certification or
10 designation setting forth the terms and conditions of
11 development assistance to be provided to the recipient that is
12 approved by the Department.

13 "Good corporate citizen" means a business that has
14 demonstrated a capacity for legal compliance and that will be
15 responsible to its community and its workforce.

16 "Good corporate citizen requirements" means any
17 development assistance agreement required provided for in this
18 Section or by administrative rule.

19 "Related member" has the same meaning as set forth in
20 Section 5-5 of the Economic Development for a Growing Economy
21 Tax Credit Act.

22 (b) The Department may require a business organization to
23 agree to certain terms that ensure the business, including its
24 related members, is a good corporate citizen as a condition
25 for receiving development assistance. A business that cannot
26 truthfully agree to any required terms shall be ineligible for

1 the development assistance. Such terms may include, but need
2 not be limited to, covenants, representations, and warranties
3 that:

4 (1) the business, its corporate officers, or corporate
5 parent or affiliate, are not or have not been the subject
6 of any criminal investigations or charges;

7 (2) there has been no investigation conducted or
8 charges, complaints, or actions brought by the State of
9 Illinois or any governmental body within the State of
10 Illinois, including the federal government, with respect
11 to the business or its officers or directors or a
12 corporate parent or affiliate that relates to alleged
13 fraud or activity that poses a substantial threat or
14 persistent nuisance to public health, safety, or welfare;

15 (3) the business and any corporate parent or affiliate
16 are not delinquent on the payment of any taxes to the State
17 of Illinois or on the Illinois Stop Payment List or a
18 debarred or suspended parties list maintained by the State
19 of Illinois or the United States; and

20 (4) the business and any corporate parent or affiliate
21 operating within Illinois will comply with the
22 requirements of all laws governing the project supported
23 by the development assistance, the Illinois Human Rights
24 Act, the Illinois Prevailing Wage Act, the Wage Payment
25 and Collection Act, the Consumer Fraud and Deceptive
26 Business Practices Act, the Right to Privacy in the

1 Workplace Act, and the federal National Labor Relations
2 Act.

3 (c) Compliance with good corporate citizen eligibility is
4 required throughout a development assistance agreement. The
5 Department may seek revocation of any credits or exemptions
6 that were earned or used during a time when the business or its
7 corporate parent or affiliate was not in compliance with any
8 applicable requirements.

9 (d) The Department shall adopt rules setting forth any
10 other programmatic terms and conditions and the consequences
11 for noncompliance during the term of a development assistance
12 agreement. The Department may adopt rules providing for
13 exceptions to the good corporate citizen requirements if an
14 application would, in the determination of the Department,
15 cause an imminent and demonstrable hardship to the people of
16 Illinois or to the business's workforce. If an exception is
17 granted, the business must agree to a contractual modification
18 identifying the exception and the basis for granting it.